Supporting the All-Volunteer Force and Its Families

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Personnel and

Agenda

- Introduction: Fiscal Context - “The OUSD (P&R) Perspective”
- Total Force Background: “Mix” and Cost “Vectors”
- PBR-11 Re-Cap: “How Did We Do?”
- POM-12 “Road Ahead”
- Take Aways: “Keys to Success”

Competition for Resources:
OUSD (P&R) Perspective

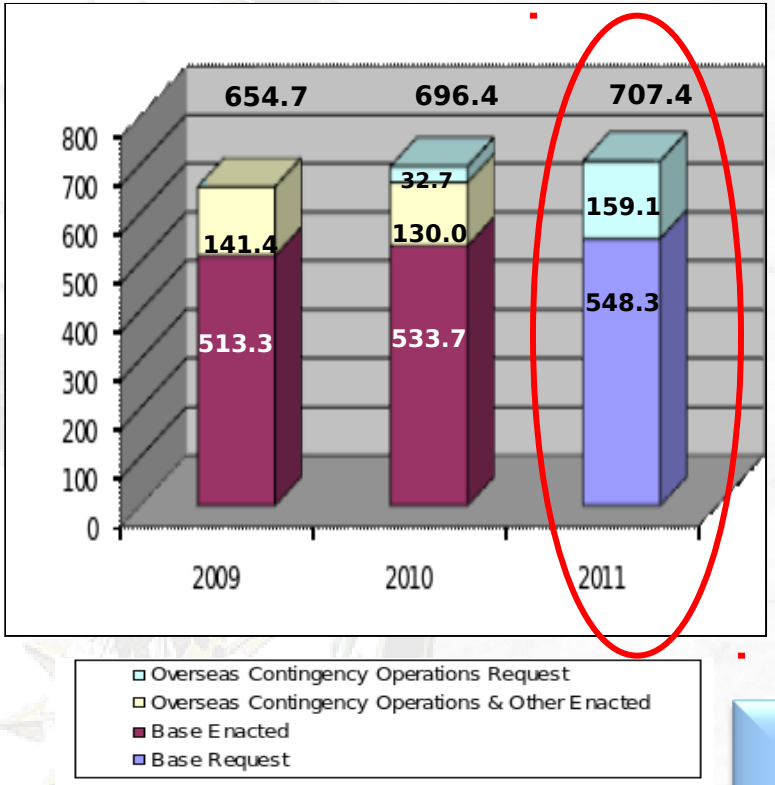
- **NOT** just about "getting the money"
- About promoting Department's larger obje
  - Sustain the All-Volunteer Force
  - Deliver Total Force readiness and sustainabilit
  - Reduce fiscal opportunity costs

- MWR
- Child Development
- Youth Programs
- etc.

"Recapitalization" needs are compelling!

USD (P&R) Fiscal Context: FY11

DoD Budget Authority ($B)



Source: OMB

P&R Oversight:

~$103B without all manpower

~$200B with manpower

>> about 1/3 of DoD TOA

What's the P&R budget?

It depends…

Includes ~$2.1B in MWR, Child Dev, Youth Programs

P&R "Unified" Total
$8.5B*/$60.6B*

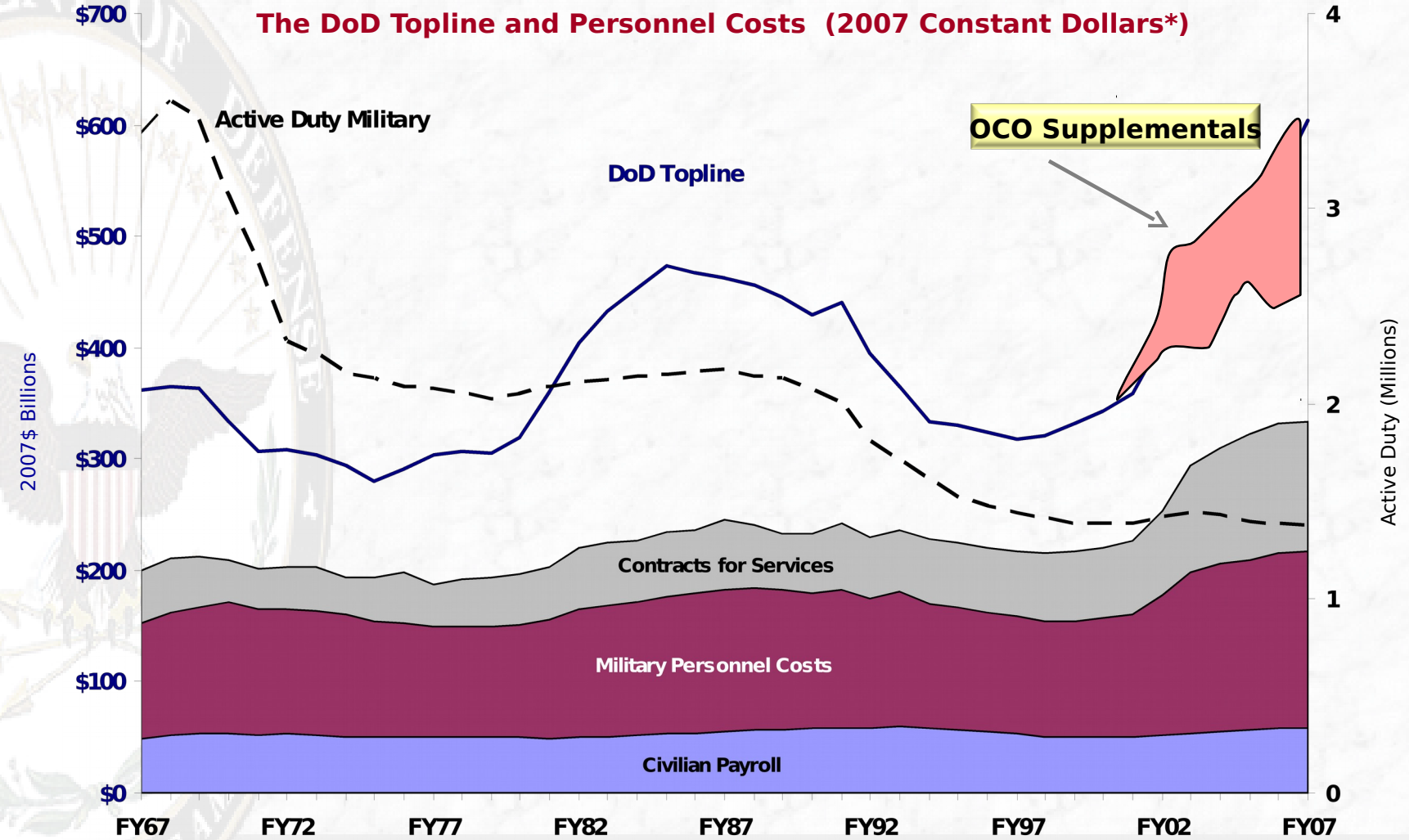
- DHRA $824.4M
- MC&FP (DoDEA, DECA) $4.3*B/$8.1B
- DHP $2.5B/$50.8B*
- P&R "Direct" $908.4M

Red=Total with oversight

*Includes OCO

Total Force Strategy:

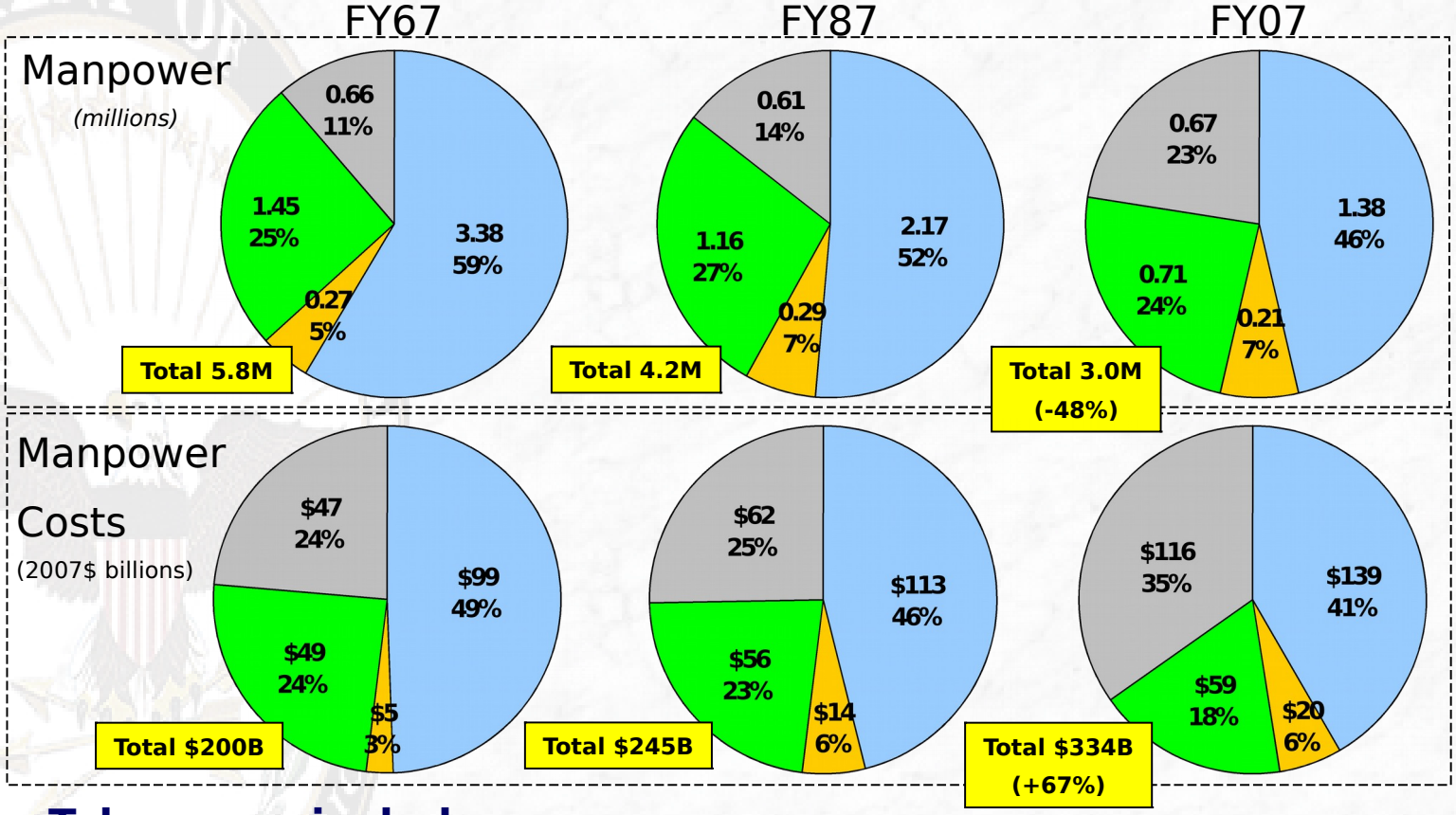
"Should focus on the right mix but be affordable"



* Using the GDP Price Index from the Budget of the United States Government: Historical Tables Fiscal Year 2009 (Table 10.1)

Fewer People Costing Much More:

"The Fiscal Squeeze"



** Includes DHP, Retired Pay, & Family Housing (excludes O&M training & Reserve MilPers)

*Contract Manyear Equivalent (CME) based upon $175K FY07 Dollars additionally deflated proportionately to Civilian Per Capita costs

Takeaways include:

- ❑ **Active Military "per capita" costs increasing – everyone else, too**
- ❑ **Service Contract costs now almost equal to Active Military costs**
- ❑ **Also, related costs associated with:**
  - **3M Dependents**
  - **10M Retirees + Dependents/Survivors**

P&R PBR-11: Fiscally Challenging

…"But We Did Well"

DoD: *379* Total Issues (FY-11 $26.3B / FY 11-15 $154.1B)

- 232 Program Review (CAPE Resolution)
- 147 Budget Review (OUSD(C) Resolution)

P&R: *33* Total Issues — *30* Funded, *3* deferred

- 21 Budget Review
- 12 Program Review

P&R Enhancements

- FY-11: **$4.2B** ($4.4B) 95%
- FY-11-15: **31.2B**(35.5B) 113%***

Resource Movements Included (FY-11 / FY11-15, $M):

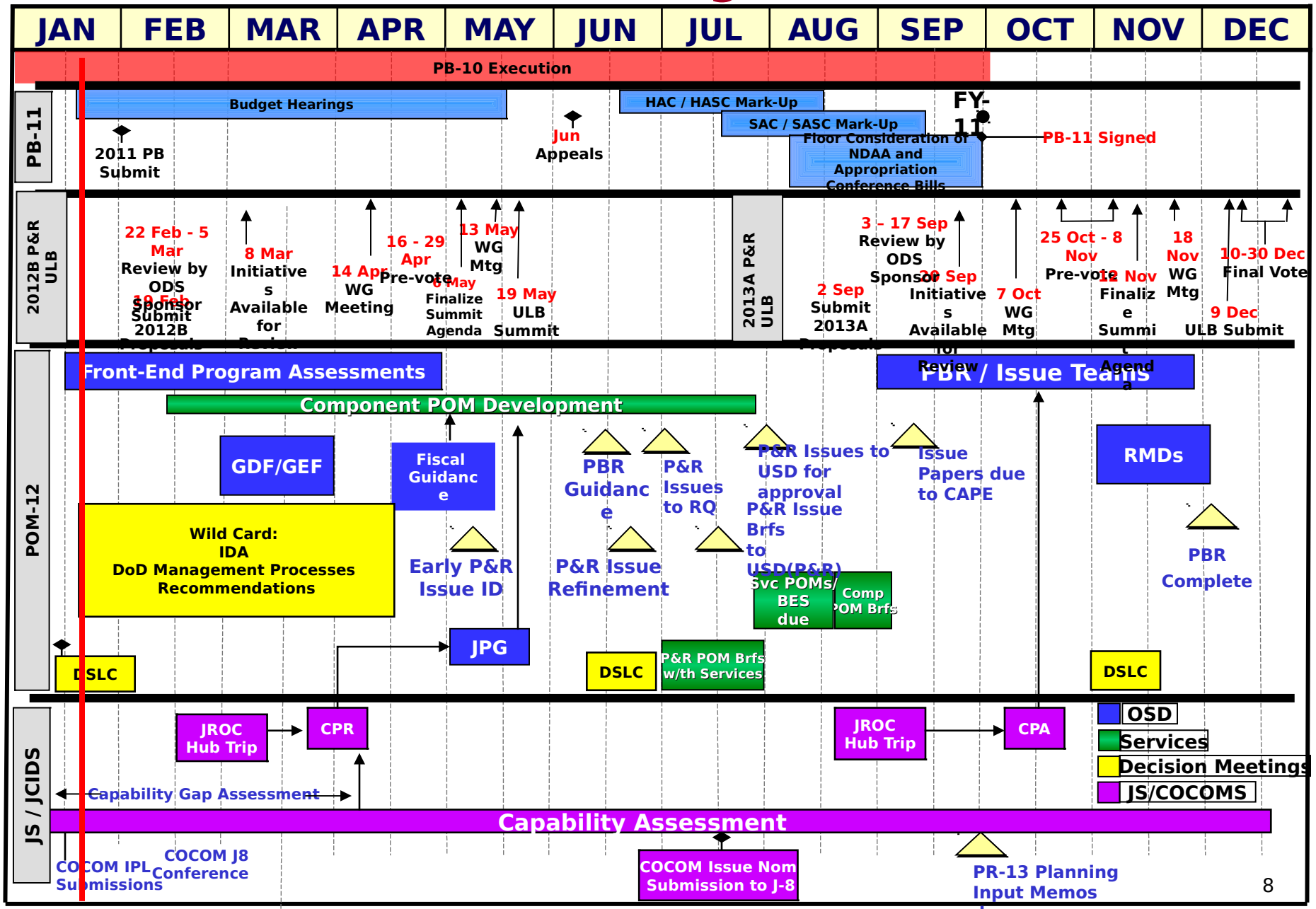
- *Private Sector Care: $2,339 / $22,520
- *DoDEA Milcon: $246 / $3,700
- EHR: $302 / $1,659
- Family Support: $475.6 / $2,300
- Language and Culture: $35.8 / $115.2
- Aviation Safety Technologies: $46.8 / $678.2
- Small Unit Immersive Tra
- IPO $8.9 / $48.6
- VPP $5.3 / $28.1
- YRRP $28.3 / $28.3
- ESGR: $6.6 / $34
- FVAP: $4/ $4

- Large, Wide Budgetary "Playing Field"
- $ Amount not always indicative of issue significance

Success Due to "Informed Engagement" Throughout OUSD (P&R)…

…What About POM-12?

CY 2010 Evolving Calendar



A Busy & Complicated Slide – A Busy & Complicated Process

POM-12 Road Ahead

- **It's Started**
  - **POM-12 PBC "Kick-off" Meeting was 14 Jan 2010**
  - **Service POMs probably 80% built**
- **P&R will have to adapt**
  - **Top down fiscal squeeze from OMB**
  - **Increasingly "narrowly defined" OCO**
  - **Potential for significant PPBES changes**
  - **New OUSD(P&R) organization**
  - **Etc..**
- **We can always do better, including:**
  - **"Divestiture" ID (Solve our own problems)**
  - **Service oversight / coordination**
  - **PSA and JS coordination**

**Potential POM-12 Issues / Focus Areas may include:

- P&R Issues:
  - VLER
  - EHR
  - FVAP
  - Yellow Ribbon
  - EO
  - Fitness Centers
  - Online Libraries
- Oversight Issues with P&R Equities
  - Service End Strength
  - Security Force Assistance
  - COCOM Manning
  - Safety
  - Reserve Equipping
  - Individual Augmentees

**The many positive P&R outcomes from PBR-11 will obviate many POM-12 issues

TAKE AWAYS

Keys to Successful "Competition for Resources" Include:

- **Build Alliances**
  - **Inside OSD**
  - **With the Services**
    - **Once the POMs are built, opposition intensifies!**
  - **Know exactly who "sits at the table" and your "target"**

- **Build a Solid Business Case that…**
  - **Supports the first two objectives**
  - **Promotes the third**

- **Identify Divestiture – Reduction Opport**
  - **Analyze Return on Investment**
  - **Measure Risk**
  - **Eliminate Redundancies**
  - **Look at both P&R Funded Programs and P&R Oversight Areas**

Overarching objectives:

- Sustain the All-Volunteer Force
- Deliver readiness and sustainability
- Reduce fiscal opportunity costs

The best proposal without an offset is on a very, very long list.